

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION)	
OF IDAHO POWER COMPANY FOR)	CASE NO. IPC-E-05-25
APPROVAL OF A SCHEDULE 86, NON-)	
FIRM ENERGY SALES AGREEMENT FOR)	
THE SALE AND PURCHASE OF NON-FIRM)	
ELECTRIC ENERGY BETWEEN IDAHO)	ORDER NO. 29874
POWER COMPANY AND J. M. MILLER)	
<u>ENTERPRISES, INC.</u>)	

On September 9, 2005, Idaho Power Company (Idaho Power; Company) filed an Application with the Idaho Public Utilities Commission (Commission) requesting approval of a tariff Schedule 86 Non-Firm Energy Purchase Agreement (Agreement). A copy of the September 7, 2005 Agreement accompanies the Application.

As reflected in the Application, J. M. Miller Enterprises, Inc. (Miller) is developing a 500-kW hydroelectric generation project near Twin Falls, Idaho in an area more particularly described as the Northeast ¼ of Section 13, Township 9 South, Range 15 East, Boise Meridian, Twin Falls County, Idaho. As represented, the Miller Project will be a qualified small power production facility (QF) under the applicable provisions of the Public Utility Regulatory Policies Act of 1978 (PURPA).

Paragraph 8 of the Agreement provides that "the Agreement shall not become effective until the Commission approves all terms and provisions thereof without change or condition and declares that all payments to be made hereunder shall be allowed as prudently incurred expenses for ratemaking purposes." Pursuant to Agreement Paragraph 1, the purchase price will be in accordance with the Company's Electric Tariff Schedule 86. The proposed scheduled Operation Date is October 15, 2005.

Idaho Power states that it is currently working with the Miller Project to complete the necessary documentation and construction of interconnection equipment in accordance with the terms of the Agreement.

Commission Findings

The Commission has reviewed and considered the September 7, 2005 Idaho Power/J. M. Miller Enterprises, Inc. Schedule 86 Non-Firm Energy Agreement and filings of record in

Case No. IPC-E-05-25. We find that the Agreement contains non-firm energy rates in conformity with posted tariffs and applicable Commission Orders. We find it reasonable to approve the Agreement without further notice or procedure. We further find that payments made under the Agreement should be allowed as prudently allowed incurred expenses for ratemaking purposes. We also find it appropriate to approve the Agreement without further notice.

CONCLUSIONS OF LAW

The Idaho Public Utilities Commission has jurisdiction over Idaho Power Company, an electric utility, pursuant to the authority and power granted it under Title 61 of the Idaho Code and the Public Utility Regulatory Policies Act of 1978 (PURPA).

The Commission has authority under PURPA and the implementing regulations of the Federal Energy Regulatory Commission (FERC) to set avoided costs, to order electric utilities to enter into fixed term obligations for the purchase of energy from qualified facilities and to implement FERC rules.

ORDER

In consideration of the foregoing, IT IS HEREBY ORDERED and the Commission does hereby approve the September 7, 2005 Idaho Power/J. M. Miller Enterprises, Inc. Schedule 86 Non-Firm Energy Purchase Agreement.

THIS IS A FINAL ORDER. Any person interested in this Order may petition for reconsideration within twenty-one (21) days of the service date of this Order. Within seven (7) days after any person has petitioned for reconsideration, any other person may cross-petition for reconsideration. See *Idaho Code* § 61-626.

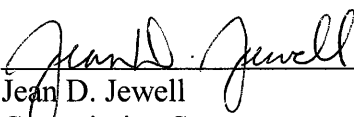
DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 29th
day of September 2005.


PAUL KJELLANDER, PRESIDENT


MARSHA H. SMITH, COMMISSIONER


DENNIS S. HANSEN, COMMISSIONER

ATTEST:


Jean D. Jewell
Commission Secretary

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